

INSTRUCTIONS FOR TT-105
WISCONSIN TOBACCO PRODUCTS DISTRIBUTOR'S TAX RETURN
Out-of-State Permittees

WHO MUST FILE THIS RETURN

All out-of-state Wisconsin tobacco products distributors must complete this return each month and file it with the department. *A return must be filed even if you do not have any transactions during a month.* In this instance, simply indicate "no transactions" on your return and send it to the department.

WISCONSIN TOBACCO PRODUCTS TAX RATE

The tobacco products tax rate is 25% of the manufacturer's established list price to distributors, prior to any reductions for volume or other discounts. The tax on tobacco products imported from another country is 25% of the amount obtained by adding the manufacturer's list price to the federal tax, duties and transportation costs to the United States. The tobacco products tax is not imposed on nontobacco items (for example, papers, pipes or lighters) or cigarettes.

DUE DATE

Your return is due 15 days after the close of the month. To be timely filed, a return must be postmarked by a United States Post Office on or before its due date and received by the department within 5 days of the due date.

Late-filed Returns. Returns which are not timely filed are subject to the following statutory charges:

1. A mandatory \$10 late-filing fee.
2. Interest on the tax due at the rate of 1.5% per month calculated from the due date of the return until date of payment.
3. A penalty of 5% of the tax due for each month the tax is unpaid (not exceeding 25% of the tax due).

RECORD KEEPING

You must keep a complete copy of your return and all records pertaining to your business for at least 4 years. Keep them at the permit location in a place and manner easily accessible for review by department representatives.

ASSISTANCE AND FORMS

Information, forms and assistance are available at our following office:

2135 Rimrock Road
Madison, Wisconsin 53713
(608) 266-8970

or write to: Mail Stop 5-107
PO Box 8900, Madison WI 53708-8900
FAX (608) 261-7049
E-Mail: excise@dor.state.wi.us

When ordering forms, include your Wisconsin permit number and the department's form number that appears in the lower left corner on each form (e.g., TT-105).

NAME/ADDRESS/OWNERSHIP CHANGES

Immediately notify the department in writing when your business undergoes any change to its name, address or ownership.

PERMIT CANCELLATION

If you discontinued or sold your business during the month, complete the Permit Cancellation box and note the effective date of cancellation. If you sold your business, please provide the name and address of the purchaser. You must file a return for the month during which you go out of business and report tobacco products transactions until you cease sales/shipments into Wisconsin.

Permits are not transferable and must be returned to the department for cancellation. Attach your permit to your final return.

COMPUTER PRINTOUTS

The department will accept computer printouts of tobacco products transactions in lieu of listing individual sales on your distributor tax return (TT-105). **If you want to submit computer listings, you must also...**

1. Use the TT-105 as a summary sheet for the accompanying printouts. Simply complete the top portion of the TT-105. Indicate "see attached" on line 2 of the respective schedule and then enter the total.
2. Prepare your computer printouts using the same format and columnar sequence as each TT-105 schedule. Label each printout to correspond with each schedule (e.g. Schedule 1 – Taxable Sales Into Wisconsin). If your computer cannot duplicate our format, you should submit a proposed format for our review and approval.
3. Use paper 8½ X 11 inches.

HOW TO COMPLETE THIS FORM

Complete Schedules 1, 2 & 3 on your tobacco products tax return (TT-105). List each invoice separately and provide all the information requested. When listing sales, remember to use the manufacturer's established list price to distributors.

Columns A, B, C & D – "Roll-Your-Own" (RYO) Tobacco

For the purpose of Wisconsin's Tobacco Master Settlement Agreement Law (MSA), **"roll-your-own" tobacco is tobacco that, because of its appearance, type, packaging or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes.** Invoices containing "roll-your-own" tobacco products require additional reporting on those products. For each invoice affected, enter who you purchased the product from, the manufacturer's name, each brand name of "roll-your-own" tobacco, and the total ounces received per brand. **Submit in duplicate all pages with Columns A, B, C & D completed.**

SCHEDULE 1 - TAXABLE SALES SCHEDULE

Line 1 Enter only taxable sales of tobacco products on lines 1 through 10. Include all sales to persons in Wisconsin who do **not** hold a Tobacco Products Distributor permit (TPD) with our department, including all samples, “free” and promotional product.

Line 12 Tax Due Multiply your total taxable sales on line 11 by 25%, the tobacco products tax rate. This is the amount of tobacco products tax. Make your check payable to the Wisconsin Department of Revenue and send it with your return (or check the EFT payment box if paid by EFT). Distributors with annual tobacco products tax liabilities of \$40,000 or more are required to pay by EFT. Call (608) 264-9918 for information about paying taxes by EFT. Send your return to the address appearing in the upper right corner on the front of the TT-105.

STOP HERE, unless you have bad debt deductions/repayment.

Lines 13-15 - BAD DEBT TAX DEDUCTION/REPAYMENT

Line 13 Enter the total value from TT-117, Column G, line 5, that you wrote off as a bad debt deduction for tobacco products tax during the month.

Line 14 Enter the total value of all tobacco products tax attributable to prior bad debt deductions claimed on which you received repayment during the month. Attach a written explanation and copies of the corresponding TT-117(s) where the claim(s) was previously deducted.

Line 15 Enter the total amount owed or refund you have coming after applying the bad debt credit deduction and/or total bad debt tax repayments received during the month. Make your check payable to the Wisconsin Department of Revenue and send it with your return (or check the EFT payment box if paid by EFT). Distributors with annual tobacco products tax liabilities of \$40,000 or more are required to pay by EFT. Call (608) 264-9918 for information about paying taxes by EFT. Send your return to the address appearing in the upper right corner on the front of the TT-105.

SCHEDULE 2 - SALES TO TAX-EXEMPT ORGANIZATIONS

Enter on this schedule only sales to tax-exempt organizations in Wisconsin such as military post exchanges or state or federally operated veterans' hospitals. These sales are not subject to the Wisconsin tobacco products tax. *Caution: Sales to Native American Indian Tribes/retailers in Wisconsin are NOT exempt.*

SCHEDULE 3 - NONTAXABLE SALES

Enter on this schedule only nontaxable sales of tobacco products. Include samples, “free” and promotional product sent to and sales to any person or business in Wisconsin who has a Wisconsin Tobacco Products Distributor permit (TPD). Do not confuse this permit with a *retail license* for tobacco products.

ADDITIONAL INFORMATION

1. An invoice must accompany the product at the time of delivery.
2. When tobacco products are returned to you by Wisconsin customers, issue a credit invoice and enter the transaction as a negative amount in brackets () on the appropriate schedule.
3. It is not necessary to enter sales of tobacco products when you cancel the invoice in its entirety *before the order is shipped*. However, you should retain the invoice and offsetting credit memo in your files.
4. When the tobacco products shipped is less than the amount shown on the invoice, issue a credit invoice for the difference and report it as a negative sale (immediately below the original invoice if possible) and labeled “short”.
5. When tobacco products that you reported as short during a prior month are shipped in a subsequent month, issue a new invoice (reference the original invoice) and enter the amount you shipped on the appropriate schedule.